

# FISCAL NOTE

**Bill #:** SB0405

**Title:** Participation in U System Health Plan  
and PERS Subject to Coll Bargaining

**Primary**

**Sponsor:** Vicki Cocchiarella

**Status:** As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
Other (PERS Pension Trust Fund)	\$30,000	\$0
<b>Revenue:</b>	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

#### **Public Employees Retirement Division**

1. There are about 45 collective bargaining units in the university system.
2. About 26 of the collective bargaining units have union pension plans available.
3. 75% or 20 bargaining units will choose the union retirement system in the first year of the biennium.
4. The Board will require an actuarial valuation for each unit that chooses the union retirement plan.
5. The cost of each evaluation will be \$1,500.

#### **Office of the Commissioner of Higher Education**

6. SB 405 mandates that bargaining units within the Montana University System (MUS) could bargain whether they had to be members of the MUS group health insurance plan or PERS or go into union plans.
7. It is impossible to predict how many unions would try to change or would be successful in bargaining a change. If a large number of employees left the MUS group plan, there could be an adverse effect on the

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plan – which would increase costs for the remaining members or put pressure on the state to provide a higher employer contribution.

8. A large number of MUS employees leaving PERS could also effect the unfunded liability of that plan, however, again this is impossible to predict.

<u>FISCAL IMPACT:</u>	<u>FY2000</u>	<u>FY2001</u>
	<u>Difference</u>	<u>Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$30,000	\$0
<u>Funding:</u>		
Other (PERS Pension Trust Fund)	\$30,000	\$0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
Other (PERS Pension Trust Fund)	(\$30,000)	\$0